

# SACS Software User Guide

## Reports

The Reports menu item allows the user to view and print various reports in addition to and separate from the forms required for state reporting. The intent of providing these additional reports is to reduce the administrative reporting burden on LEAs, and to eliminate duplication of effort for financial reporting to CDE program staff, by automating reports to the extent possible.

### PROGRAM REPORTS BY RESOURCE

The first Reports menu option is Program by Resource reports. These reports are formatted to display financial data as typically requested by CDE program staff. For the resource(s) that you specify and using the data imported or entered into the SACS software, each of the four formats will generate a report that details the amount available, the expenditures, the difference between the amount available and the expenditures, and the percent of expenditures spent on indirect costs.

The four Program by Resource reports differ in the way expenditures are sorted:

- Expenditures by Function—contains expenditures summarized by major function categories
- Expenditures by Function—with Detail—contains expenditures summarized by major functions with additional detail provided for Instruction-Related Services and Pupil Services functions
- Expenditures by Object—contains expenditures summarized by major object categories
- Expenditures by Object—with Detail—contains expenditures summarized by major objects with additional detail provided for Books and Supplies and Services and Other Operating Expenses Objects

The data for these reports is fully extracted from the SACS software database; only data entry to identify the reporting period is allowed.

The type of data used in the report is automatically determined by the period you are in when requesting the report, as indicated below:

- Budget Periods—Estimated/Unaudited Actuals Data
- Interim Periods—Actuals to Date Data
- Unaudited Actuals Period—Unaudited Actuals Data

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We are working closely with the CDE program staff with regards to the SACS data and reporting options available for their programs. Until you receive specific instructions from the CDE program staff to use these reports for periodic or end-of-year financial reporting, we suggest you send the applicable Resource reports from SACS along with the reports requested by the CDE program staff.

To generate a report, double-click on Program By Resource on the Reports menu, then double-click on the kind of report you want to view. A window will appear, displaying all of the resources with data in your database for the period you are in. Click on the resource for which you want to obtain the report. (If applicable, you may select several resources by pressing the **Ctrl** key and clicking on each resource; one report will combine the data for all selected resources.) Click OK, and the report containing the more summarized data will display. To view the more detailed report, click on the Detail tab at the bottom of the screen. Print the report as you would any of the forms in the software.

### **DETERMINATION OF MAJOR FUNDS**

The second Reports menu option is Determination of Major Funds (Report DTERM). This report compares assets, liabilities, revenues and expenditures for governmental and enterprise funds to determine which funds meet the 10% and 5% criteria defined in Governmental Accounting Standards Board (GASB) Statement 34. Funds meeting these criteria must be reported as major funds in the LEA's fund statements.

To generate this report, double-click on Determination of Major Funds on the Reports menu. All the data for this report is extracted using the fund and object code ranges shown on the report. No key entry is required or permitted.

### **GOVERNMENT-WIDE REPORTING**

The third Reports menu option is Government-wide Reporting. These reports include the conversion entries, identification of program revenues, and consolidation worksheets necessary to convert from individual governmental funds to government-wide activities and to prepare the Statement of Activities and Statement of Net Assets on the accrual basis of accounting as required by GASB Statement 34.

The next several paragraphs provide an overview of the government-wide reporting options and functionality in their recommended processing sequence, including a description of specialized conventions used when summarizing by function for purposes of government-wide reporting. Later in this section is a detailed discussion of each conversion entry.

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Government-wide conversion entries and reports should be prepared only after the funds are closed. Fund accounting must be correct for conversion entries to work properly. Conversion entries are not designed to correct accounting errors within the funds.

Note: Certain worksheets must be saved, closed, and reopened in order for related worksheets to extract linked data properly. This guide indicates where this is so. In addition, if subsequent changes are made to worksheets prepared early in the recommended processing sequence, worksheets prepared later in the recommended processing sequence must be opened and saved.

### Conversion Entries (Report ENTRY)

The Conversion Entries workbook is comprised of five worksheets. To access these worksheets, on the Reports menu, click on Government-wide Reporting, double-click on Conversion Entries, and then select each worksheet by its tab.

- **Begin Balance (Beginning Balances):** This worksheet contains the two adjusting entries necessary to include the July 1 beginning balances of Capital Assets and Long-term Debt relating to governmental activities in the government-wide consolidation. These entries will be required each year until such time as CDE begins to collect government-wide data from all LEAs and can pre-load prior year balances into the software. Beginning Balance entries post automatically to the Fund Consolidation worksheet (see below).
- **Detail (Conversion Entry Detail):** This worksheet is used for development of supporting workpaper detail for each of the possible conversion entries. To the extent possible, general ledger (GL) data is extracted and displayed and a proposed default conversion entry is provided based on assumptions defined for each entry. User adjustments are allowed for most default entries. For conversion entries for which data is not extracted and a default entry is not provided, user input is required to create the entry. A detailed discussion of each conversion entry follows this section.

When the ENTRY workbook is saved, closed, and reopened, completed conversion entries from the Detail worksheet post automatically to the Conversion Entry Summary (see below).

- **CE001 Data by Fnc:** This worksheet contains the data extracted for the first conversion entry, CE001, summarized and sorted by Function. This worksheet is provided for user reference and analysis. No key entry is required or permitted. See discussion of CE001 later in this section.
- **CE001 Data by Obj:** This worksheet contains the data extracted for the first conversion entry, CE001, summarized and sorted by Object. This worksheet is provided for user reference and analysis. No key entry is required or permitted. See discussion of CE001 later in this section.

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- **Summary (Conversion Entry Summary):** This worksheet summarizes the conversion entries developed in the Conversion Entry Detail (discussed below) and presents them in standard journal entry format. When the ENTRY workbook is saved, closed, and reopened, all data in this worksheet is extracted from the Conversion Entry Detail worksheet. No key entry is required or permitted. Entries in the Conversion Entry Summary post automatically to the Conversion Worksheet (see below).

### Detailed Discussion of Individual Conversion Entries

The purpose of conversion entries is to consolidate funds for government-wide reporting, and to convert governmental fund data from the current financial resources measurement focus and the modified accrual basis of accounting to the economic resources measurement focus and the accrual basis of accounting.

In the consolidation and conversion process, the fund, resource, and goal identities of transactions are largely ignored. Generally, only function (for expenditures) and object (for revenues, assets, and liabilities) remain meaningful. Resource ranges are used only where it is necessary to distinguish program revenues from general revenues. Resource range 2000-9999 is used to distinguish program revenues, and resource range 0000-1999 is used to distinguish general revenues.

Government-wide conversion entries and reports should be prepared only after fund accounting is complete and the funds are closed. Fund accounting must be correct for conversion entries to work properly. Conversion entries are not designed to correct accounting errors within the funds.

To the extent possible, GL data is extracted and displayed, and a proposed default conversion entry is provided, based on assumptions defined for each entry. User adjustments are allowed for most default entries. For those conversion entries for which data is not extracted and a default entry is not provided, user input is required to create the entry.

Extracted data is displayed for reference. The proposed default conversion entry and user adjustments are combined to produce the final conversion entry.

An Unbalanced message will display for any entry in which debits do not equal credits in the final conversion entry column. Occasionally a default conversion entry will be out of balance due to rounding of extracted data. The user must compensate for the rounding error in the User Adjustment column to eliminate the Unbalanced condition in the final conversion entry.

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The software contains twenty defined conversion entries. It is likely that most LEAs will not need all twenty conversion entries.

### **Entry BB001: Capital Assets**

The purpose of this entry is to bring on the LEA's capital asset and accumulated depreciation balances relating to governmental activities as of July 1 of the year for which the LEA is preparing government-wide reports.

No data is extracted for this entry.

The appropriate entry is to debit capital asset accounts and credit accumulated depreciation accounts for the July 1 balances of capital assets and accumulated depreciation. The software will automatically calculate and post the difference to beginning net assets.

### **Entry BB002: Long-term Debt**

The purpose of this entry is to bring on the LEA's long-term debt balances relating to governmental activities as of July 1 of the year for which the LEA is preparing government-wide reports.

No data is extracted for this entry.

The appropriate entry is to debit prepaid expense for unamortized issue costs, credit liability accounts for the July 1 balances of long-term debt, and debit or credit liability accounts for unamortized debt issue discount or premium. The software will automatically calculate and post the difference to beginning net assets.

### **Entry CE001: Capital Outlay Expenditures**

The purpose of this entry is to eliminate amounts reported in governmental funds as capital outlay expenditures for acquisition or construction of capital assets, and instead report increases to capital assets on the statement of net assets.

In the governmental funds, capital outlay expenditures were debits. To eliminate them, the functions in which capital outlay expenditures were reported must be credited, and capital assets must be debited.

Data relating to capital outlay expenditures is extracted from governmental funds 01 through 57, Objects 6000-6999, all functions, plus Function 8500, Objects 1000-5999 and 7000-7999.

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Because of the volume of the GL data extracted for this entry, the extracted data is displayed in two separate worksheets titled CE001 Data by Fnc and CE001 Data by Obj. The same extracted data is displayed two ways: sorted, summarized, and subtotaled by Function, and sorted, summarized, and subtotaled by Object. The extracted data is provided for user review and analysis. No key entry is required or permitted.

The default conversion entry uses the following assumptions:

- Object 9410 is debited for expenditures reported in Object 6100.
- Object 9430 is debited for expenditures reported in Object 6200, plus expenditures reported in Function 8500, Objects 1000-5999 and 7000-7999.
- Object 9440 is debited for expenditures reported in Objects 6300, 6400 and 6500.
- The functions to which capital outlay expenditures were charged in the funds are credited.

Users may adjust the proposed default conversion entry in the User Adjustments column.

A typical user adjustment to the default entry would be for costs of buildings that were not actually completed as of the end of the period. The default conversion entry debits the capital asset account for buildings for all expenditures for buildings and improvements. The user adjustment should adjust the default conversion entry by debiting Work in Progress and crediting Buildings.

There should be no residual costs in Function 8500 because this function does not appear on the statement of activities.

Note: The default conversion entry for CE001 may be out of balance due to rounding of the data extracted in two different ways. In that event, the user must compensate for the rounding error in the User Adjustment column to eliminate the Unbalanced condition in the final conversion entry.

### **Entry CE002: Debt Service Expenditures**

The purpose of this entry is to eliminate amounts reported as debt service expenditures in governmental funds for repayment of the principal portion of long-term debt, and instead reduces long-term liability accounts on the statement of net assets.

In the governmental funds, debt service expenditures were debits. To eliminate them, the Other Outgo - Debt Service function must be credited, and long-term liabilities must be debited.

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Data relating to debt service expenditures is extracted from governmental funds 01 through 57, Objects 7432, 7433, 7435, 7436, and 7439, Functions 9000 and 9100.

The default conversion entry uses the following assumptions:

- Object 9662 is debited for expenditures reported in Object 7432.
- Object 9661 is debited for expenditures reported in Object 7433.
- Object 9669 is debited for expenditures reported in Objects 7435, 7436, and 7439.

Users may adjust the proposed default conversion entry in the User Adjustments column.

### **Entry CE003: Debt Issuance**

The purpose of this entry is to eliminate amounts reported in governmental funds as Other Financing Sources for proceeds of long-term debt, Other Financing Sources or Uses for issuance premium or discounts, and expenditures for issue costs, and instead report liabilities and deferred issue costs on the statement of net assets.

In the governmental funds, debt proceeds were credits. To eliminate them, Other Financing Sources must be debited, and a liability account must be credited.

If the debt was issued at a discount, in the governmental funds the issue discount was a debit. To eliminate it, Other Financing Uses must be credited, and the related liability account must be debited.

If the debt was issued at a premium, in the governmental funds the issue premium was a credit. To eliminate it, Other Financing Sources must be debited, and the related liability account must be credited.

In the governmental funds, issue costs were debits. To eliminate them, the Other Outgo – Debt Service function must be credited, and the prepaid expense account must be debited.

Data relating to debt issuance is extracted from governmental funds 01 through 57, Objects 5800 and 7699, Functions 9000 and 9100; and Objects 8931, 8951, 8961, 8971, 8972, 8973, and 8979.

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The default conversion entry uses the following assumptions:

- Object 9330 is debited for issue costs reported in Object 5800.
- Object 9669 is credited for proceeds reported in Objects 8931 and 8961 and premium reported in Object 8979, and debited for issue discount reported in Object 7699.
- Object 9661 is credited for proceeds reported in Object 8951.
- Object 9666 is credited for proceeds reported in Object 8971.
- Object 9667 is credited for proceeds reported in Object 8972.
- Object 9668 is credited for proceeds reported in Object 8973.

Users may adjust the proposed default conversion entry in the User Adjustments column.

### **Entry CE004: Donated and Contributed Capital Assets**

The purpose of this entry is to recognize donated or contributed capital assets. These are not reported in governmental funds because they do not involve the flow of current financial resources, but they should be reported in the government-wide statement of net assets at their market value on the date of donation or contribution.

No data is extracted for this entry.

The appropriate conversion entry is to debit a capital asset account and credit either general revenue or a program revenue account. Users may input applicable amounts in the User Adjustments column.

### **Entry CE005: Disposal of Capital Assets**

The purpose of this entry is to report disposals of capital assets in the government-wide statement of net assets, and to report only any gain or loss on such disposals in the government-wide statement of activities. Disposals may occur through sale, trade-in, or scrap.

In the governmental funds, proceeds from disposal of capital assets were credits. To eliminate them, revenue or Other Financing Sources must be debited, a capital asset account must be credited, and accumulated depreciation must be debited.

Losses on disposals of capital assets should be reported in the general administration function, not in the function that utilized the asset. However, if insignificant, losses can be adjusted against the current year depreciation expense instead.



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Data potentially relating to proceeds from the disposal of capital assets is extracted from governmental funds 01 through 57, Objects 8631 and 8953. The extracted data is displayed, but no default conversion entry is provided.

The appropriate conversion entry is to eliminate the carrying value of the capital asset being disposed of by debiting accumulated depreciation and crediting the capital asset account. Any gain is reported as income. Any loss is reported in the General Administration function. Users may input applicable amounts in the User Adjustments column.

### **Entry CE006: Earned But Unavailable Revenue**

The purpose of this entry is to recognize revenues that were earned in the current period, but that were not recognized in governmental funds because they were not “available” for purposes of the modified accrual basis of accounting.

No data is extracted for this entry.

In the governmental funds, earned but unavailable revenue would have been accrued as a receivable and the unavailable portion deferred until the period in which it would become available. The appropriate conversion entry is to debit deferred revenue and credit program revenue or general revenue. Users may input applicable amounts in the User Adjustments column.

### **Entry CE007: Elimination of Revenues Relating to Prior Periods**

The purpose of this entry is to eliminate revenues that were earned but not available in a prior period, that became available and were recognized in the current period.

No data is extracted for this entry.

The appropriate conversion entry is to debit revenue or deferred revenue and credit net assets. Users may input applicable revenue and deferred revenue amounts in the User Adjustments column. The software will automatically calculate and post the balance to Object 979Z, Net Assets.

### **Entry CE008: Liability for Unmatured Interest on Long-term Debt**

The purpose of this entry is to recognize unmatured interest on long-term debt. Unmatured interest on long-term debt is not recognized in governmental funds until the period when it is due.

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No data is extracted for this entry.

The appropriate conversion entry is to debit the debt service function and credit either accounts payable or, in the case of deep-discount or capital appreciation bonds, the debt itself. Users may input applicable amounts in the User Adjustments column.

### **Entry CE009: Liability for Compensated Absences**

The purpose of this entry is to recognize the change in liabilities for compensated absences. Liabilities for compensated absences are not accrued in governmental funds because they are not normally expected to be liquidated with current financial resources.

No data is extracted for this entry.

The appropriate conversion entry is to debit (for increases) or credit (for decreases) the applicable functions, and debit or credit Object 9665, Compensated Absences, for the net change. Users may input applicable amounts in the User Adjustments column.

### **Entry CE010: Expenditures Relating to Prior Periods**

The purpose of this entry is to eliminate expenditures reported in governmental funds that related to a prior period, that were not recognized in the prior period under the modified accrual basis of accounting because they did not involve the use of current financial resources. Typical examples are matured interest on long-term debt that was paid in the current period.

No data is extracted for this entry.

The appropriate conversion entry is to debit net assets and credit the functions in which the expenditures were reported. Users may input applicable amounts for each function in the User Adjustments column. The software will automatically calculate and post the balance to Object 979Z, Net Assets.

### **Entry CE011: Adjustments to Works in Progress**

The purpose of this entry is to adjust the Work in Progress account for capitalized costs of projects that were in progress at the end of the prior fiscal year but have since been completed or, more rarely, to write off formerly capitalized costs of projects that will never be completed.

No data is extracted for this entry.

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The appropriate conversion entry is to debit capital asset accounts and credit the Work in Progress account for projects that have been completed, or to debit the General Administration function and credit the Work in Progress account for projects that will never be completed. Users may input applicable amounts in the User Adjustments column.

### **Entry CE012: Depreciation**

The purpose of this entry is to recognize the current year depreciation expense of capital assets.

No data is extracted for this entry.

The appropriate conversion entry is to debit each function in which depreciation was incurred, and credit accumulated depreciation. Users may input applicable amounts in the User Adjustments column.

### **Entry CE013: Amortization**

The purpose of this entry is to recognize the current year amortization of premiums, discounts, and deferred charges relating to past issuance of long-term debt.

No data is extracted for this entry.

The appropriate conversion entry for amortization of premiums is to debit the liability and credit the Debt Service function. The appropriate conversion entry for amortization of discounts is to debit the Debt Service function and credit the liability. The appropriate conversion entry for amortization of deferred charges is to debit the Debt Service function and credit Prepaid Expense. Users may input applicable amounts in the User Adjustments column.

### **Entry CE014: Incorporation of Assets and Liabilities of Internal Service Funds**

The purpose of this entry is to incorporate the assets and liabilities of internal service funds, which are presumed to primarily benefit governmental activities, with the assets and liabilities of governmental funds for government-wide reporting.

Internal service fund assets and liabilities are extracted from funds 66 through 68, Objects 9110-9499 and Objects 9500-9699.

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The default conversion entry is:

- Debit Objects 9110-9499 for assets.
- Credit Objects 9500-9699 for liabilities.
- Debit or credit Net Assets for the difference.

User adjustments to this default conversion entry are not allowed.

Note: If there was any change in net assets for internal service funds during the year, that change must be accounted for by entry CE015, entry CE016, or both.

### **Entry CE015: Elimination of Internal Service Funds Profit or Loss Generated Within the LEA**

The purpose of this entry is to eliminate any profit or loss in internal service funds resulting from internal activity within the LEA. Internal service funds are presumed to operate on a break-even basis. To eliminate any redundancy in reporting government-wide revenues and expenditures, any profit or loss from internal service fund operations within the LEA needs to be allocated back to the functions that were over- or undercharged for the services provided. This is done using a look-back approach based on the proportionate participation of each function.

As an example, assume that an internal service fund provided liability insurance coverage to the following participating (benefiting) functions:

<u>Participating function</u>	<u>Proportionate participation</u>
General Administration	75%
Pupil Transportation	15%
Food Services	10%
Total	<u>100%</u>

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Assume that the internal service fund generated a profit from internal activities of \$1,000. Using a look-back approach, the costs reported for the participating functions should be reduced as follows:

<u>Participating function</u>	<u>Proportionate reduction of costs</u>				
General Administration	75%	x	\$1,000	=	\$750
Pupil Transportation	15%	x	\$1,000	=	\$150
Food Services	10%	x	\$1,000	=	\$100
Total	100%	x	\$1,000	=	\$1,000

No data is extracted for this entry.

The appropriate conversion entry is to debit or credit expenditures in the participating functions, and debit or credit net assets for the total. Users may input applicable amounts in the User Adjustments column. The software will automatically calculate and post the balance to Object 979Z, Net Assets.

Note: If there was any change in net assets for internal service funds during the year, that change must be accounted for by entry CE015, entry CE016, or both.

### Entry CE016: Incorporation of External Activities of Internal Service Funds

The purpose of this entry is to report as governmental activities in the government-wide statements that portion of internal service fund revenues, expenditures, and profit or loss generated by transactions with parties outside the LEA.

No data is extracted for this entry.

The appropriate conversion entry is to debit expenditures and credit program revenues or general revenues for the identified amounts. Users may input applicable amounts in the User Adjustments column. The software will automatically calculate and post the balance to Object 979Z, Net Assets.

Note: If there was any change in net assets for internal service funds during the year, that change must be accounted for by entry CE015, entry CE016, or both.

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### **Entry CE017: Reclassification of Interfund Transfers Involving Fiduciary Funds**

Note: Entry CE017 must be completed, and the Entry workbook saved, closed, and reopened, before preparing Entry CE019.

The purpose of this entry is to reclassify interfund transfers involving fiduciary funds as transactions with external parties, rather than internal transactions. Due to the nature of fiduciary funds, interfund transfers between governmental funds and fiduciary funds are not appropriate.

Interfund transfers out are debits and interfund transfers in are credits. To reclassify those involving fiduciary funds, Other Outgo - Interfund Transfers must be credited and Other Outgo - All Other Transfers Out must be debited. Other Sources-Interfund Transfers must be debited and Other Transfers In From All Others must be credited.

Data potentially relating to interfund transfers involving fiduciary funds is extracted from all funds, Object 7619, Functions 9000 and 9300, and Object 8919. Data for the Governmental, Proprietary, and Fiduciary Fund categories are displayed separately. Within the Proprietary Funds category, the enterprise and internal service fund types are displayed separately.

The default conversion entry uses the following assumptions:

- In the Governmental Funds section, Object 7619, Other Outgo - Interfund Transfers is credited and Object 7299, Other Outgo - All Other Transfers Out is debited for the amount reported in the Fiduciary Fund section, Object 8919.
- In the Governmental Funds section, Object 8919, All Other Authorized Interfund Transfers In is debited and Object 8799, Other Transfers In From All Others is credited for the amount reported in the Fiduciary Funds section, Object 7619.
- Corresponding entries are made in the Fiduciary Funds section.
- If no amounts are extracted in the Fiduciary Funds section, no entry is necessary.

Users may adjust the proposed default conversion entry in the User Adjustments column in the Governmental Funds and Proprietary Funds sections. The default conversion in the Fiduciary Funds section may not be adjusted.

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### **Entry CE018: Reclassification of Interfund Balances Involving Fiduciary Funds**

Note: Entry CE018 must be completed, and the Entry workbook saved, closed, and reopened, before preparing Entry CE020.

The purpose of this entry is to reclassify interfund balances involving fiduciary funds as balances due to or from external parties. Due to the nature of fiduciary funds, interfund balances between governmental funds and fiduciary funds are not appropriate.

Interfund receivables are debits and interfund payables are credits. To reclassify those involving fiduciary funds, Due From Other Funds must be credited and Due To Other Funds must be debited.

Data relating to interfund balances is extracted from all funds, Objects 9310 and 9610. Data for the Governmental, Proprietary, and Fiduciary Fund categories are displayed separately. Within the Proprietary Funds category, the enterprise and internal service fund types are displayed separately.

The default conversion entry uses the following assumptions:

- In the Governmental Funds section, Object 9310 is credited and Object 9200 is debited for the amount reported in the Fiduciary Fund section, Object 9610.
- In the Governmental Funds section, Object 9610 is debited and Object 9500 is credited for the amount reported in the Fiduciary Funds section, Object 9310.
- Corresponding entries are made in the Fiduciary Funds section.
- If no amounts are extracted in the Fiduciary Funds section, no entry is necessary.

Users may adjust the proposed default conversion entry in the User Adjustments column in the Governmental Funds and Proprietary Funds sections. The default conversion in the Fiduciary Funds section may not be adjusted.

### **Entry CE019: Elimination of Interfund Transfers Among Governmental Funds**

Note: Entry CE017 must be completed, and the Entry workbook saved, closed, and reopened, before preparing Entry CE019.

The purpose of this entry is to eliminate interfund transfers among the governmental and internal service funds consolidated in the government-wide statements, to eliminate the “grossing up” effect of the LEA’s transactions with itself. Interfund transactions between governmental or internal service funds and enterprise funds should not be eliminated.

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Interfund transfers in are credits and interfund transfers out are debits. To eliminate them, interfund transfers in must be debited and interfund transfers out must be credited.

Data relating to interfund transfers is extracted from all funds, Objects 7611-7619, functions 9000 and 9300, net of Conversion Entry CE017; and Objects 8911-8919, net of Conversion Entry CE017. Data for the Governmental, Proprietary, and Fiduciary Fund categories are displayed separately. Within the Proprietary Funds category, the enterprise and internal service fund types are displayed separately.

The default conversion entry uses the following assumptions:

- In the Governmental and Internal Service Funds sections, Objects 7611-7616 are credited and Objects 8911-8916 are debited for the amounts extracted.
- In the Governmental Funds section, Object 7619 is credited for the amount extracted minus the amount extracted in the Enterprise Funds section, Object 8919.
- In the Governmental Funds section, Object 8919 is debited for the amount extracted minus the amount extracted in the Enterprise Funds section, Object 7619.

User adjustments to this default conversion entry are allowed in the Governmental and Internal Service Funds sections.

### **Entry CE020: Elimination of Interfund Balances Among Governmental Funds**

Note: Entry CE018 must be completed, and the Entry workbook saved, closed, and reopened, before preparing Entry CE020.

The purpose of this entry is to eliminate interfund balances among the governmental and internal service funds consolidated in the government-wide statements, to eliminate the “grossing up” effect of the LEA’s balances to and from itself. Interfund balances between governmental or internal service funds and enterprise funds should not be eliminated.

Balances due from other funds are debits and balances due to other funds are credits. To eliminate them, Due From Other Funds must be credited and Due To Other Funds must be debited.

Data relating to interfund balances is extracted from all funds, Objects 9310 and 9610 net of Conversion Entry CE018. It is displayed separately for each category of funds (Governmental Funds, Proprietary Funds, and Fiduciary Funds).



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The default conversion entry uses the following assumptions:

- In the Governmental Funds section, Object 9310 is credited for the amount extracted minus the amount extracted in the Proprietary Funds section, Object 9610.
- In the Governmental Funds section, Object 9610 is debited for the amount extracted minus the amount extracted in the Proprietary Funds section, Object 9310 net of CE017.

User adjustments to this default conversion entry are not allowed.

### Government-wide Conversion (Report CNVRT)

The Government-wide Conversion workbook is comprised of four worksheets. To access these worksheets, on the Reports menu, click on Government-wide Reporting, double-click on Government-wide Conversion, and then select each worksheet by its tab.

- **Fund Consolidation:** This worksheet consolidates the assets, liabilities, revenues, expenditures, and fund balances of governmental funds, plus the beginning balances of capital assets and long-term debt from entries BB001 and BB002, into one trial balance. All data in this worksheet is extracted from GL data and Beginning Balance entries. No key entry is required or permitted. The consolidated trial balance data posts automatically to the Conversion Worksheet (see below).
- **Conversion Worksheet:** This worksheet combines the consolidated trial balances of governmental funds, capital assets, and long-term debt with the conversion entries. All data in this worksheet is extracted from the Fund Consolidation and the Conversion Entry Summary except for the Other Worksheet Adjustments column, for which key entry is permitted.

The Other Worksheet Adjustments column is a temporary column to allow the user to make any other entry or adjustment, not provided for in Conversion Entries 1 through 20, necessary to convert the data reported in governmental funds from the current financial resources measurement focus and the modified accrual basis of accounting to the economic resources measurement focus and the accrual basis of accounting, or to eliminate redundancy resulting from interfund activity within consolidated governmental funds. Generally, worksheet adjustments should not be necessary. We ask that their use be reported to CDE for consideration as change orders to the conversion entries. Worksheet adjustments should not be used to correct accounting errors within the funds.

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The user should carefully review the Conversion Worksheet. In particular, the user should ensure that no data exists in shaded cells, as these will not pull to the government-wide statements.

Conversion Worksheet totals post automatically to the Statement of Activities and the Statement of Net Assets.

- **Program Revenue Detail:** This worksheet identifies the program revenues reported for each function on the statement of activities. It uses a “reasonable methodology” in which program revenues are allocated to functions in proportion to the pattern of expenditures by function in each resource in which program revenues were identified.

All data is extracted from GL data and the Conversion Worksheet. User adjustment to the default allocation by function within each resource is allowed. User adjustment is required for any of the following:

- For any resource in which program revenues were identified but in which there were no expenditures that could be used as a basis for allocation of revenues by function.
- For any discrepancy between program revenues for each resource and program revenues by function within each resource, due to rounding.
- For user identification of conversion entries or manual worksheet adjustments involving program revenues, and for any discrepancy between total program revenues by function for all resources and total program revenues on the conversion worksheet, due to rounding.

When the Program Revenue Detail worksheet is saved, closed, and reopened, its totals post automatically to the Program Revenue Summary (below).

- **Program Revenue Summary:** This worksheet summarizes the program revenues to be reported by function on the statement of activities. All data is extracted from the Program Revenue Detail. User adjustment is not allowed.

### Government-wide Statement of Net Assets (Report GSNA)

The Government-wide Statement of Net Assets workbook is comprised of two worksheets. To access these worksheets, on the Reports menu, click on Government-wide Reporting, double-click on Government-wide Statement of Net Assets, and then select each worksheet by its tab.

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## Reports

- **Statement of Net Assets:** This is the Statement of Net Assets required by GASB Statement 34. All data in this report is extracted from GL data or the Conversion Worksheet, except for the following two items for which key entry is required:
  - Identification of long-term liabilities due within one year and due in more than one year. An Unbalanced message will display until these amounts are entered.
  - Identification of total net assets invested in capital assets net of related debt, restricted for various purposes, and unrestricted. An Unbalanced message will display until these amounts are entered.
- **GSNA Reconciliation:** This is the required reconciliation between the governmental fund balances shown on the fund statements and the net assets shown on the government-wide statement of net assets. All data is extracted from GL data or the conversion entries. No key entry is required or permitted. The user should review the reconciliation to ensure it ties to the fund balances and to the statement of net assets. It may be necessary to manually adjust minor differences due to rounding before including the reconciliation in the final financial statements.

### Government-wide Statement of Activities (Report GSA)

The Government-wide Statement of Activities workbook is comprised of two worksheets. To access these worksheets, on the Reports menu, click on Government-wide Reporting, double-click on Government-wide Statement of Activities, and then select each worksheet by its tab.

- **Statement of Activities:** This is the Statement of Activities required by GASB Statement 34. All data in this report is extracted from GL data or the Conversion Worksheet. No key entry is required or permitted.
- **GSA Reconciliation:** This is the required reconciliation between the change in fund balances shown on the governmental fund statements and the change in net assets shown on the government-wide statement of activities. All data is extracted from GL data or the conversion entries. No key entry is required or permitted. The user should review the reconciliation to ensure it ties to the changes in fund balances and to the statement of activities. It may be necessary to manually adjust minor differences due to rounding before including the reconciliation in the final financial statements.

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### Specialized Function Codes and Definitions Used in Conversion Entries and Government-wide Reporting

Certain specialized function codes and descriptions are used for automation of conversion entries and government-wide reporting. These specialized codes and descriptions have no application outside of the software and should not be used for any other purpose. LEAs should continue to use the standard function codes defined in the *California School Accounting Manual*.

Where specialized codes appear in conversion entries, they are italicized to highlight their specialized use.

- Functions 1000-1999 are summarized to Function 1000, Instruction.
- Function 2420 is summarized to Function 2420, Instructional Library, Media and Technology.
- Function 2700 is summarized to Function 2700, School Site Administration.
- Functions 2100-2999 except 2420 and 2700 are summarized to Function 2100, Supervision of Instruction.
- Function 3600 is summarized to Function 3600, Home-to-School Transportation.
- Function 3700 is summarized to Function 3700, Food Services.
- Functions 3000-3999 except 3600 and 3700 are summarized to Function 3900, All Other Pupil Services.
- Functions 4000-4999 are summarized to Function 4000, Ancillary Services.
- Functions 5000-5999 are summarized to Function 5000, Community Services.
- Functions 6000-6999 are summarized to Function 6000, Enterprise Activities.
- Function 7700 is summarized to Function 7700, Data Processing Services.
- Functions 7000-7999 except 7700 are summarized to Function 7200, All Other General Administration.
- Function 8500 is summarized to Function 8500, Facilities Acquisition and Construction.
- Functions 8000-8999 except 8500 are summarized to Function 8100, Plant Services.
- Functions 9000 and 9100, Objects 7431 through 7439, except 7434 and 7438, are summarized to Function 9101, Debt Service-Principal.
- Functions 9000 and 9100, Objects 7434 and 7438, are summarized to Function 9102, Debt Service-Interest.
- Functions 9000 and 9100, Objects 5800 and 7699, are summarized to Function 9103, Debt Service-Issue Costs and Discounts.
- Functions 9000 and 9200, Objects 7110 through 7299, are summarized to Function 9200, Transfers Between Agencies.
- Functions 9000 and 9300, Objects 7611-7629, are summarized to Function 9300, Interfund Transfers.

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- Functions 9000-9300, Objects 1000-7999, except 5800, 7110-7199, 7611-7629, 7431-7439 and 7699, are summarized to Function 9000, Other Outgo.
- Function 0000, Object 6900, is summarized to Function 0000, Depreciation (Unallocated).

### **SPECIAL EDUCATION MOE**

The fourth Reports menu option is Special Education MOE. The Special Education Maintenance of Effort report for this option is not included in the SACS2003ALL software, but will be completed and distributed shortly thereafter. This report will include the worksheets necessary to determine whether Special Education Local Plan Areas (SELPAs) have met the federal maintenance of effort requirements. Additional user guide information will be distributed with the completed software components.